



# INSIGHT on Coinage

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EDITORIAL

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There are few secrets in Numismatics anymore. Most of our knowledge today is being well disseminated by specialty clubs and almost anyone can become an authority in a particular field if they specialize. All it takes is common sense along with time and good observational techniques.

Just about every time I pick up the latest numismatic book or read an article in a hobby publication, I'm struck with one of two thoughts. Either I think, "I knew that, why didn't I write about it?" or "That's great, why didn't I ever see that before?" I am beginning to realize that there is not enough time left for me to know every aspect of numismatics. It's a sobering thought. Now, if only I had specialized on a particular coin series.

I'm writing this newsletter from Tennessee where I am doing some authentication work for Photo Certified Coin Institute. It's giving me a chance to see many hundreds of coins daily as they are swamped with work. I'm learning Word Perfect 5.1 so that I can continue to produce my Correspondence Course and Newsletter in a timely manner. Because I'm away from home, this issue may get a little wordy with less photographs than normal but I have a good deal to say.

While attending the GNA Show in Atlanta over Memorial Weekend, I read five new books (slow show). I'll review them briefly in this issue. All the new knowledge about hub changes and varieties I learned was a very humbling experience. It also caused me to recall the promise I made to Insight readers to write about the consequences of becoming a "know-it-all".

## ADVICE AND DISSENT

Previously, I've written about Ex-Perts and the dangers of becoming complacent or having an "I've seen it all attitude". I've been guilty of this in the past and so can write from personal experience.

As a young tyro, teaching my first ANA Summer Seminar in coin authentication, fresh from "besting" Breen over the "Omega" fakes, I received my first lesson regarding the difference between a gentleman numismatist and an Ex-Pert from Ken Bressett. After lunch, one of the students came by the table and removed a specimen from his coin wallet. He wished to show Ken and I an example of what he thought was a very dangerous counterfeit. The "know-it-all" at the table (me) interrupted to inform him that the piece was a crude cast fake that anyone could authenticate from fifteen feet across the cafeteria. Mr. insensitivity, me again, was not even aware that I had "crushed" the old fellows spirit. After the man left the table, Ken gave me a lesson in tact and humility which

made me feel about two inches tall. Ken explained that everyone possessed different levels of expertise and what was crude for me might be an exceptional fake to someone else. It's been many years since that experience; but every so often I find myself guilty of some type of "know-it-all" attitude. The story I'm about to relate happened about two years ago, but first you'll need a little background to appreciate my embarrassment.

Years ago when ANACS was the only Authentication Service, I could say with complete certainty (based on experiences with our consultants and comments from a source which needs to remain anonymous), that I was one of the top four authenticators in the country. Keep reading - I said this was going to be an article about humility. As an ANACS authenticator, I was viewing hundreds of coins a week using a stereo microscope, developing new techniques (die scratch method), and learning from the opinions of the competent consultants we choose to keep. For this reason, when ANACS left Washington, they had no one as competent as the staff they left behind. In fact, one of the first articles published in The Numismatist by the Colorado staff, showed a photo of a genuine \$20 gold coin with U.S. Mint produced die scratches which they explained was a fake showing wormy tool marks! Don't believe everything you read - go look it up.

The INS Authentication Bureau was established in Washington soon after, so there was no break in continuity for authenticators who did not go with ANACS. Only the name of the service changed. In fact, everything else got better such as improved laboratory equipment, a faster work flow, color certificates, and the first grading service.

Meanwhile, we had good but necessarily cool relations with ANACS. This was necessary because of ANA politics. Besides, our Director felt that if we communicated too much, customers would not have two independent companies to render an opinion on their coins. We never felt the least bit intimidated by the ability of anyone at ANACS. Sadly for them, as soon as a group of authenticators had worked together for any length of time, one would leave to work in the commercial side of numismatics. This caused major disruptions to their standards. Sometime after 1986, ANACS finally got a hard core group to stay together. J.P. Martin is the only one left from that group. As you will read, I underestimated their abilities.

About two years ago, revenues at INS were declining both because we were the toughest service on cleaning and because PCGS and NGC had practically cornered the market for third-party grading and authentication. I heard ANACS was looking for another staff member so I applied for the position and traveled to Colorado for an interview. As I said, I had gained respect for the ANACS group; but because of errors they still made on some coins with altered surfaces, I underestimated their true expertise.

I was quite impressed by what I saw during a short tour of the ANACS offices, and can honestly say that the break-up of that facility and group of authenticators was a bad mistake - similar to what occurred when ANACS was moved from Washington. After the tour, I was given a timed test which was standard for all the applicants for the new position. Because of my background as a former ANACS authenticator and lab director at INS, the interviewer

almost apologized for making me take the test but it was only fair to the other applicants. I had to authenticate a hundred coins in a time period which I don't remember. Piece of cake! Remember, I was convinced that none of the ANACS staff was on my level of expertise. The test may have lasted thirty minutes or an hour - my mind tends to forget bad experiences.

I started the test. Hindsight is wonderful. I should have examined the coins, written my opinion, and finished early. Some of the coins took less than two seconds to authenticate. Looking back, I know that any of the ANACS authenticators or even the summer interns could have finished a similar test in 10 to 12 minutes with 100% accuracy! Not Mr. "know-it-all". Imagine my surprise when some of the fakes were types I had never seen before. Now this is going to be fun I thought. I put three of these "new to me" coins aside to examine in detail to determine when they were made and to record some of their diagnostics. Another coin on the test was a genuine wire edge, periods \$10 Indian in the worse condition imaginable. I was sure ANACS believed the coin was a fake because of all the raised die scratches (looked like tooling) and the rough surfaces. I immediately began to second guess ANACS. Other genuine coins which would look fake to someone with less experience were a 1910-S Twenty Dollar and a few weakly struck Indian Quarter Eagles (1908 and 1929). I couldn't figure why these coins were on the test - unless ANACS thought they were struck counterfeits. Suddenly, I realized I was in real trouble. Should I put down the correct answers to the questions or should I answer the way I thought ANACS would? Simply, if I knew a coin was 100% genuine but thought ANACS believed it was a fake, I would put down "bad" in order to pass the test and educate them in private later. Don't I sound like the biggest, conceited, know-it-all, Expert ever born? I should have realized that the ANACS authenticators had gone through the same stages of self-education I had over the years. For example, the first few 1908 Indian Quarter Eagles I ever examined with a stereo microscope looked fake when compared with 1909 coins because they are not struck as well. Coins dated 1910 also look bad and we constantly tried to make a case that they were great counterfeits only to resign ourselves that they were genuine! Anyway, I wasted precious time deciding among the dozen or so well made counterfeits and poorly made genuine coins what I believed the ANACS staff would answer; when in truth, they would not have a problem with any of the coins! I justified these fears because of the experiences I had with experts in the past who had condemned many genuine coins as fakes.

My dilemma left me no time to go back and look at any of the really interesting struck counterfeits in the test because suddenly, the door of the test room opened and it was time to stop! I had eight to ten coins which I knew my opinion on but had not decided how ANACS would have answered! In the time it took the examiner to cross four feet of floor to collect the test, I filled in the answers to a scattered number of the coins I had put aside.

I was embarrassed and dejected. One of the low points in my entire life had just occurred. I was such a jerk. I wanted to crawl into a hole and die. Here I sat, the head of a grading and authentication lab, one of the most experienced authenticators in

the country, and I was convinced I had flunked the rookie test at ANACS. I had been a conceited fool to think the present day ANACS authenticators did not know their business. The days of calling genuine die scratches tool marks were over. I should have answered the questions and written the reasons for my opinions.

Later in the day, I asked to see ten of the specific coins on the test that I remember I had tried to second guess ANACS on. I didn't wish to change my answers on the written test, that would not be fair. I only wished to redeem myself in the eyes of the ANACS staff. Two of the authenticators watched as I quickly authenticated each coin correctly. At least they would know I wasn't some big mouth with a cracked eye. I also hope they defended me to their colleagues if the group ever had a laugh at my expense.

Unfortunately, ANACS was sold and the excellent group of authenticators was broken-up. I never forgot that humbling experience in Colorado; but time is making it a little easier to live with.

## LETTERS

I don't get as many letters as I would like from newsletter readers either about what I publish or with requests for specific topics; yet, the few I do receive are great. This little item was given to me at the Annual Coin Show in March at the Baltimore Convention Center. From what I could see, and from the amount of foot traffic at my table, the show was very well attended. I wish to thank Ed Kuszmar for the opportunity to meet with collectors to promote this newsletter. I ran out of space in last month's issue so could not print it then.

This is a clipping from a church bulletin. You never know when you will rub shoulders with one of the true specialists in a particular field. My advice (based on a few embarrassing instances) is to consider that everyone in numismatics is knowledgeable - until he or she says something to prove otherwise.

"This is a true story which took place over a hundred years ago. A young university student was seated on a train beside an elderly man, dressed neatly but much like a farmer. The old man was praying the Rosary.

"Sir, do you still believe in outdated things as the Rosary?"

the student asked, pointing to the old man's beads.

"Yes, I certainly do. Don't you?" asked the man. The student burst out laughing saying he had long since stopped believing in such silliness. "Take my advice," he said. "Throw your Rosary out the window and learn what science has to tell you."

"Science?", the old man said with a disturbed look. "I do not understand this science you talk about. Perhaps you'll explain."

"Seeing that the old man was becoming a bit upset, the student asked for his address. "I'll send you some literature to

read to help in these matters'". The man fumbled inside his coat and produced a small business card. The student read the card, looked back at the man, and became silent. The old man's card read: "Dr. Louis Pasteur, Director of the Institute of Scientific Research, Paris, France."

## MARKET NOTES

This month's column will be a collection of some observations I have made while doing some authentication work for P.C.I. and while attending the Georgia State Show.

#1 YOU MUST LEARN TO GRADE FOR YOURSELF! Even if a coin is slabbed, it is no guarantee of either the grade or the price you will receive when you sell it, but prices for PCGS and NGC slabs can be monitored and a stronger market usually exists for these coins. A collector showed two brown Indian Cents (in my opinion AU-58) to representatives of two grading services present at the Georgia Show and received two "Unofficial Grades" for both coins. Namely, AU-58 at one service and MS-63 from the other. One dealer confided in me that he actively seeks coins from second and third tier grading services which are accurately graded simply because they sell at a discount. Instant profit!

Too many coins with small problems are undergraded by all the grading services. An excellent example I saw recently was a Photograde, ANA Grading Guide, VF-20 1918/17-S Standing Liberty Quarter (cleaned and toned) slabbed as a F-15 by a major grading service.

#2 If you are going to submit a proof coin to a grading service, make sure it has been correctly dipped and is not cloudy - UNLESS it has beautiful toning. Rinse the coin thoroughly in distilled water and dry it with compressed air (best) or a hair dryer (second best). Be careful nothing touches the surfaces or hairlines may result. Proofs are graded by the amount of hairlines, spots, cloudiness, and even original planchet surface marks. Eye-appeal is everything. You cannot improve some of these criteria but you can often improve eye appeal by removing fogging or discoloration.

#3 Submit your coins in a vinyl flip. Many of the grading services remove coins from their original holders and place them in flips anyway but don't take chances. I have always taught students to smell their coins for evidence of cleaning or artificial toning. The grading service experts do the same. By placing your coins in a plastic flip they will be less likely to reject your coins as being cleaned or artificially toned (often pure guesswork) because all they will smell is plastic. Say, maybe that's why they are rejecting so many coins already!

#4 Grading services will slab cleaned and altered surface coins with great "eye-appeal" in spite of what you may hear. This is especially true for key dates or rare coins. Often, they will drop the "technical" grade by as much as two points to reflect the value

of the cleaned coin. When you see an "undergraded" coin in a slab, be careful, look for hairlines from cleaning, chemical surface alterations covering marks and scrapes, rim damage, etc.

#5 Each different grading service has its own quirks. One may grade a specific coin series, like Franklin halves, tougher than another. Learn what these are. I am doing research on this also.

#6 Based on what I have seen and heard this week, PCGS and NGC are the only major grading services. ANACS is in a class by itself and P.C.I. is at the next level, not so much because of how they grade but because they don't have the experience of the combined ANACS group. You can forget all the others. P.C.I. and ANACS have the most collector support. In the future, I expect P.C.I. to force other services to lower their rates, expand their services, and decrease their turnaround time - customer service.

#### MICROSCOPICALLY SPEAKING

It has been my observation, that many ancient coin dealers and collectors don't even use a hand lens to examine the coins they buy or sell. Hopefully, this will change.

It's old news by now, at least for those of you who subscribe to World Coin News, Coin World, or Numismatic News. European Numismatists have discovered a number of very dangerous fake ancient coins which have been bought and sold at auction or by many dealers. To the credit of the professional numismatists who deal in ancients, those coins which could be traced have been taken off the market so that collectors have not been hurt financially. Readers of Insight know of the warnings I have made in regard to authenticating coins by their "style" because as early as the mid-1970's, style could be closely copied.

During my first lesson in counterfeit detection, the Director of ANACS sat me down with a microscope and showed me the difference in "style" between genuine and counterfeit U.S. \$3 gold coins. While viewing the tobacco berries at 12 o'clock on the reverse of the coins, he explained that the genuine coins had a rough irregular look (style) and the berries on the counterfeit were fairly smooth and rounded. He also showed me a "marker" or recessed defect in the field that Treasury Authenticators had discovered. The defect was "T" shaped or possibly a stylized "J" under the bow at 6 o'clock on the reverse. (Remember, identical repeating contact marks on raised parts of the design which could be used as markers were unknown as yet!) The "markers" on fakes were usually microscopic. During my first few meetings with some of our consultants (especially in regard to world coins), I was shocked to see they authenticated coins without any optical aids. They relied mostly on their experience handling coins and on the "style". I wondered how they could make critical judgements when we couldn't be sure a coin was genuine while using a microscope. Yes, experience is a very valuable tool but as I learned later, many of these consultants were making errors!

You see, even as early as 1972, dangerous (at that time)



counterfeit \$3 gold with correctly shaped berries and good style and color were being traded in the market place right along side the crude fakes with rounded berries. In fact, as you'll read in the conclusion of the "Omega" counterfeit story, ANACS had authenticated at least three of the counterfeits previously.

The photograph of the counterfeit below shows how good the transfer process used to make fake dies was almost twenty years ago! Figure 1 shows a genuine 1882 \$3 coin while a struck counterfeit 1888 coin is pictured in figure 2. The photographs were taken at approximately 20X power, so how can any one even think of authenticating coins with their naked eyes. NOTE: At the recent Georgia State Show there were five stereo microscopes at various dealer's tables which were being used to view coins. Whenever I see a dealer using a microscope, he gets my immediate respect.



Figure 1



Figure 2

#### BOOK REVIEW

I've got a lot of catching up to do. I'm embarrassed to say that I have not read Walter Breen's "old" Encyclopedia of U.S. Coins from cover to cover YET. That means thousands of collectors who have, know much more about certain subjects than I. Thankfully, I was able to catch up a little this weekend by reading five new books for the specialist. Since the books are quite similar in format and material covered, I shall review them as a group. The books are: The Comprehensive Encyclopedia of U.S. Liberty Seated Quarters, by Briggs; The Complete Guide to Liberty

Seated Half Dimes, by Blythe; and David Lawrence's three book set on the Barber Coin series.

First, let me say that the books on Charles Barber's coinage and the Liberty Seated Quarters give an in-depth look at two fairly neglected series in regard to available literature. I believe all these books belong in the library of a serious numismatist. Each book allows room in the margins or at the end of the pages for additional notes - great idea.

Larry Brigg's book was my favorite in every respect. It had ample photographs and was easy to use. A very impressive study. The Complete Guide Series had a few distracting but not major problems. Of the three Barber books, the quarter dollar book is the best, in my opinion, as far as the amount of information given. Unfortunately, hand drawings instead of photographs are used. Still all the information is there. The two newest books seem to have been rushed to press. Rather than complete guides, they may be the forerunners of more detailed books on the series. Only seven pages into the half dollar book, the author tells us that the study of mint marks is incomplete at this time. Two pages later, in the section on grading, I encountered what seemed to be a glaring proofreading error. The numeric grade for About Good is printed as AG-2! It turns out, this is not a typo, the author's Barber Dime book has the same error. Not only has he invented a new number for the grade but in another section he has also developed his own interpretation of the rarity scale. I learned that "rare" coins were given R-4; and who ever heard "tough date" used any place in the scale. This kind of nonsense by individuals who should know better is why words like "Choice", "Gem", etc. became all confused in grading. Thankfully, AG-3 is used correctly in the half dime book but the rarity scale is the same. One more little problem, in order to get much of anything out of the half dime book you'll need to purchase another book! It's called The United States Half Dimes by Valentine. Lucky for all of us, it has been reprinted in 1975 by Quarterman Publications.

#### COMING

An article in The Numismatist about grade inflation as well as what I have seen while conducting a survey for PCI has sparked some research into the Uncirculated grades which should be quite interesting. I'll also finish my "Omega" story and possibly have a report on some experiments I'm doing with artificial toning.

I have been asked to return to PCI to do some additional work next month. I hope to bring a camera so I can photograph some of the fakes they receive.

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